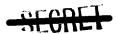
-SECRET SECURITY INFORMATION

INDOCHINA

- I. Moscow has recently hinted at possible peace in Indochina. Pravda Sipt 2
 - A. Peiping has followed by stating that France can find an Indochina solution only through negotiations. (See Your)
 - B. Communists overtures are apparently aiming only for a position of maneuverability in case of sudden changes in the Far East picture.
 - C. Viet Minh failure to take up peace theme suggests no definite Communist policy yet formed on peace.
- II. There is no let-up in Soviet and Chinese support of the Viet Minh.

1



SECRET SECURITY INFORMATION

- A. Both Moscow and Peiping received publicizing Ho Chi Minh's repeated assertion that independence can only be won by force of arms.
 - 1. They express confidence in

No real enclave

- III. Best bet is that Soviets de tot want negotiations now.
 - A. Communists never willing negotiate conflict they are winning and Viet Winning.
 - Probably they are trying to exploit war weariness in France.
 - Such exploitation would be designed to cause US-French conflicts or,
 - 2. To undermine Vietnamese faith in the French.

IV. Also possible that peace theme is hedge against future Viet Minh reverses.

2



SECURITY INFORMATION

A Switch from military to political action always follows Communist military defeats in Fact and used to screen them.

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25X1X7

25X1X7

major Viet Minh effort this fall will be gainst vital Tonkin delta.

- A. Reports on movements of enemy regular divisions and infiltration tactics along southern leg of delta triangle bear this out.
- B. Three more divisions are poised to move against northern defenses.
- C. Viet Minh has withdrawn most of its forces from Laos and reduced supply activity there.
- VI. The delta's vulnerability is aggravated by heavy infiltration, mostly by Viet Minh regulars.

3

SEVILLE

SECURITY INFORMATION

- A. This forces French to use all but three divisions there for static defense.
 - Viet Minh's regular divisions
 have almost unrestricted
 freedom of movement.
- B. French say the Viet Minh could even overrun delta, but probably won't because of the high cost in casualties.
- VII. Cambodia's newly proclaimed "neutralism" toward war in neighboring Vietnam not a surprising development.
 - A. Cambodia has its hands full with local insurgents.
 - 1. Viet Minh has only 1,000 regulars there.
 - B. The Cambodians are overwhelmingly preoccupied with the independence issue and integrity of their own territory.

4 OSHALT

SECRET

SECURITY INFORMATION

C. They are not able to make any large contribution to war in Vietnam.

> 5 TONET